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FINAL DECLARATION OF THE PARLIAMENTARY MEETING ON THE OCCASION OF UNCTAD X

Adopted unanimously on 11 February 2000

We, national legislators elected by our peoples to represent them, are meeting in Bangkok at the invitation of the Inter-Parliamentary Union and the Thai National Assembly on the eve of the Tenth Session of the United Nations Conference on Trade and Development (UNCTAD X).

We call on parliaments and their members to become more closely involved in the international negotiating process on trade, finance and development issues. As members of parliament, we speak for constituencies that cut across the divide of rich and poor, capital and labour, the public and private sector, and corporate and small-scale enterprise. We express concerns that encompass many single issues championed by various lobbies and pressure groups. Moreover, greater parliamentary involvement can only be beneficial to development. Indeed, democracy, respect for the rule of law and a government that is transparent and accountable to parliament are indispensable building blocks for good governance and sustainable development.

We are convinced that only through greater solidarity and international cooperation will all peoples benefit from the processes of globalization and trade liberalization. Our participation in the formulation of global development policy at UNCTAD X takes on added importance at a time when the world community is assessing the potential and risks of globalization and trade liberalization for world economic growth and development and is formulating development strategies to make globalization a process that benefits all peoples. We therefore take this opportunity to lay before UNCTAD X our perspective on the current state of globalization and development.

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Impact of globalization

The current processes of globalization and liberalization have had a major impact on people all over the world, politically, economically, socially, culturally and environmentally. While offering unprecedented opportunities for expansion of international trade and investment - major generators of economic growth and development - globalization and liberalization can also have substantial adverse repercussions on the development process if not properly managed. Although financial and trade liberalization has contributed to economic growth in many countries, this has not been the case in others, particularly the less developed countries. The Asian financial crisis, the systemic effects of which have adversely affected international trade and the global economic and social development of many countries in the region and beyond, is a clear example of the downside risk of rapid liberalization of financial and capital markets without appropriate supervision and regulation and an effective mechanism for the management of short-term capital flows.

For a great number of developing countries, the current international trading system within the WTO framework has not yet yielded its expected benefits. Developing countries consider that the developed members have not yet fully implemented, in terms of both content and spirit, their WTO obligations, particularly in the areas of market access for agricultural and textile products. Various non-tariff barriers have been and continue to be created. They also feel that the WTO has yet to create a level playing field and for these reasons emphasize their need for special and differential treatment and technical assistance, particularly in the area of professional training, to implement their WTO obligations.

These concerns highlight the need to strengthen solidarity and international cooperation in transforming existing international trade, financial and investment regimes into a more coherent system conducive to sustainable development and growth for all.

Although global management requires international and multilateral norms, standards and regimes, they must be flexible and operate within an agreed framework. Multilateral systems and regimes have to be negotiated to ensure that the concerns of various groups of countries are duly taken into account and that, in the end, a balanced settlement of interests is achieved.

The overriding preoccupation in this regard is to ensure that emerging multilateral systems enable different national models of political, economic and social organization to function within a universally accepted framework of norms and rules. We are strongly convinced that no system of globalization is acceptable if it attempts to impose standardized practices irrespective of the cultural and social values that have shaped societies through the ages.

Trade liberalization and human development

There is a growing consensus that economic growth should serve as a means towards human development. Growth should translate into the betterment of people's lives. International trade as an economic tool can make an important contribution to this goal by raising standards of living and enhancing employment opportunities, generating a steady growth of real income, eliminating poverty and ensuring sustainable development.

Mechanisms are required to ensure that the benefits of trade are widely shared, also among countries that are currently marginalized. While promoting free and fair trade, we need to establish a level playing field. To this end, arrangements for special and differential treatment for developing countries and countries with economies in transition have to be considered. Importance should also be attached to assistance in capacity-building.

The multilateral trading system under the World Trade Organization offers the prospect of further trade liberalization, thus expanding trading opportunities. To produce realistic results, the next round of multilateral trade negotiations must have a broad-based and balanced agenda, taking into account the interests and concerns of all participants. Agricultural negotiations should aim at achieving the long-term objective of fundamental reform, while taking account of food security concerns and the role of agriculture in environmental protection. Current obstacles to agricultural trade expansion should be reviewed as a matter of urgency. In services, the objective should be to achieve progressively higher levels of liberalization. In the case of manufactured products, non-tariff barriers must also be addressed to preserve the benefits resulting from tariff reduction. As technology holds the key to enhanced productivity and competitiveness, improved arrangements to facilitate the transfer of technology are imperative.

As members of parliament, we reaffirm our belief that economic well-being and social development for all – women equally with men, the poor and marginalized equally with the wealthy -- can be raised through the promotion of international trade. However, mechanisms are needed to ensure that globalization and liberalization effectively lead to improvements in labour and environmental standards, the protection of children and, generally, respect for human rights. Governments are encouraged to pursue a trade policy that facilitates free and open trade, without a hidden protectionist agenda.

New International financial architecture and resources for development

For many years now, the Inter-Parliamentary Union has been speaking on behalf of the world parliamentary community in support of the view that a new international financial architecture ought to be established in order to overcome the deficiencies of current arrangements established at Bretton Woods in the 1940s.

As a result of rapid global liberalization of financial markets, private capital flows of all types have increased in speed and volume. But the benefits of liberalized flows of finance are often nullified by the adverse effects of excessively volatile short-term capital flows, as reflected in the recent Asian financial crisis that has had severe negative repercussions on international trade and processes of social and economic development in the region and beyond. To address these risks of globalization, the need to establish a new international financial architecture has now become more urgent.

Establishing a new architecture should aim at crisis prevention, providing better mechanisms for risk and crisis management, enhancing international financial stability to promote international trade and economic development, and intensifying developing countries' participation in reforming the international financial architecture. Measures should include, *inter alia*, enhancing the predictability and transparency of international capital flows; strengthening the framework for national and international regulation and supervision

of short-term capital flows and introducing safeguards against speculative attacks; encouraging burden-sharing between debtors and creditors; and improving the role of international lenders of last resort and regional financial support mechanisms, including the question of conditionality of access to credit from the International Monetary Fund. We believe that UNCTAD is well placed to assist developing countries and countries with economies in transition in addressing these issues.

There is an ongoing lamentable tendency to downgrade the importance and significance of official development assistance (ODA), which is a vital resource for poorer developing countries with little or no access to international private capital. Its current level of less than 0.3 per cent of GNP, in contrast to the universally agreed target of 0.7 per cent of GNP of the developed countries, has to be viewed with great concern.

It should be recalled in this connection that major conferences of the United Nations over the last decade, such as the World Summit for Social Development and the World Food Summit, were used by the international community to proclaim the goal of eliminating absolute poverty and improving standards in education, health care and food security. Wide-ranging international norms and targets were likewise agreed upon for such economic, social and environmental issues as enhancement of the role of women, removal of discriminatory practices, the rights of children, child labour, access to water and sanitation, the safeguarding of forests and biodiversity. We reiterate our view that, for these goals to be achieved, a renewed effort to revitalize ODA flows to poor countries is crucial.

We are encouraged by recent decisions to write off the external debt of poor developing countries -- a measure that the IPU has been consistently advocating. It is important to ensure now that these decisions are rapidly implemented so that the countries concerned see the benefits of debt write-offs as soon as possible. Further concessions are required, in terms of both conditionality and the volume of debt written off.

We are convinced that UNCTAD can play a significant role in taking a fresh look at the current structure of development finance in order to establish mechanisms within the multilateral system and in bilateral aid arrangements that prevent the accumulation of external debt by poor countries in the future. A decisive shift towards promoting sustainable direct foreign investment and providing concessionary finance as grants instead of loans is probably the best way of achieving this aim.

Need for transparency and fair negotation

Multilateral and international systems -- be they in the area of trade, finance, social or environmental regulation -- should invariably be transparent in their design, application and practice. While significant advances have been made in recent years in improving transparency in some international organizations such as the World Bank, there is still a lack of transparency in the decision-making and functions of various multilateral bodies. Although membership of these organizations is almost universal, some important decisions are taken by just a few. Moreover, secrecy surrounds the operation of such bodies and access to relevant information is largely confined to Governments, excluding legislators and civil society.

Lack of transparency undermines the processes of benign globalization and democratic governance. Multilateral trade concessions gained in the past have been the result of intense bargaining and negotiation. To advance the cause of free trade is therefore to achieve an environment where fair negotiation and fair bargaining can take place in a transparent manner without domination by the politically and economically powerful. As parliamentarians, we urge UNCTAD and WTO to address the issue of transparency and fair negotiation, with full participation by all countries, before the world slips back into protectionism.

Multilateral institutions also need to set standards of transparency and accountability in their decision-making process and in actions at the global, regional and national levels. This is a key issue in the management of international trade and finance. Transnational corporations should be equally transparent in their practices and should be accountable and responsible, especially with regard to environmental, labour and social concerns. Particular attention must be given to the eradication of corrupt practices in public and corporate transactions.

Finally, we call on the Inter-Parliamentary Union, as the world organization of parliaments of sovereign States, to pursue and strengthen its dialogue and cooperation with multilateral institutions active in the field of trade, finance and development, in particular with WTO, UNCTAD and the Bretton Woods institutions, with the objective of providing a parliamentary dimension enabling members of parliament to convey the concerns of peoples everywhere to these institutions and to assist in forging popular support for their action. Through the greater involvement of parliamentarians in global development policy-making, the legislative branch will also be able to contribute substantively to developing the legislative change and harmonization that are essential to participatory processes of globalization and trade liberalization.

Parliamentary follow-up action

We also recommend that the following measures be adopted by parliaments and their members in each country:

- Ensure that the final document of UNCTAD X, as well as the present Declaration of the Parliamentary Meeting, are distributed in parliament to relevant committees;

- Equally ensure that these documents are considered in parliament and its relevant standing committees including, wherever possible, through plenary debate in parliament; and

- Utilize fully the parliamentary oversight function with a view to ensuring governmental follow-up to the outcome of UNCTAD X.

Finally, we recommend that parliaments and their members, working through their world organization, the Inter-Parliamentary Union:

- Invite the IPU Council to endorse this Declaration, thus converting it into a policy statement of the IPU on trade, finance and development;

- Request the IPU Secretary-General to circulate this Declaration to all parliaments represented in the IPU, inviting them to ensure that its contents are brought to the attention of all relevant parliamentary bodies for their consideration and guidance;

- Request the IPU to establish a world directory of all parliamentary bodies and standing committees that address trade, finance and development issues with a view to facilitating the sharing of relevant information and experiences among them and with the IPU and relevant multilateral institutions;

- Invite the IPU and UNCTAD to work closely together to raise awareness of parliaments and their members on the implications for national legislation of specific trade and investment issues and to provide assistance in this regard, including through the organization of parliamentary workshops;

- Invite the IPU to organize a global specialized conference on trade, finance and development issues, in cooperation with the relevant multilateral institutions, to be convened in Geneva by the end of January 2001 at the latest; and

- Invite the governing bodies of IPU to establish an Ad Hoc Commission to look into issues relating to parliamentary follow-up to the Third WTO Ministerial Conference in Seattle and to make appropriate recommendations for action.